

# IPARD 05

## IN FOCUS

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IPARD in Serbia



Ministry of Agriculture, Forestry  
and Water Management, Serbia



**IPARD**  
EU4Rural Areas



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# **European Guidelines for IPARD III Programme**

With the aim of more efficient IPARD III Programme preparation, Regional Rural Development Standing Working Group of South Eastern Europe (SWG/RRD) has organized, in the past period, three video conferences for the representatives of the European Commission and the representatives of the Operating Structures of the beneficiary countries of the IPARD funds. Topics discussed by the Heads of the Managing Authorities and the Directors of the IPARD Agencies were related primarily to the proposed amendments to the existing Sectoral Agreement, which represents the response to the crisis caused by COVID 19, to the Guidelines for the IPARD III Programming, as well as to the proposals of the part of future measures within the programming period 2021-2027.

It can be said with certainty that for future programming a set of 13 measures will be available to EU candidate countries. Measure 12 - Financial instruments and Measure 13 - Innovation and knowledge transfer are novelty compared to the IPARD II Programme.

Other measures are related to: Investments in physical assets of agricultural holdings - Measure 1, Support for the setting up of producer groups - Measure 2, Investments in physical assets concerning processing and marketing of agricultural and fishery products - Measure 3, Agri-environment-climate and organic farming measure - Measure 4, Implementation of Local Development Strategies, LEADER approach - Measure 5, Investments in rural public infrastructure - Measure 6, Farm diversification and business development - Measure 7, Improvement of training - Measure 8, Technical Assistance - Measure 9, Advisory Services - Measure 10 and Establishment and protection of forests - Measure 11.

## **GUIDELINES FOR PREPARATION OF IPARD III PROGRAMME**



Each country should perceive, through analyse of needs, which of the proposed measures would have the best effects and opt for their entrustment. In selecting measures for the future IPARD III Programme, the candidate countries shall give priority to measures to help implement EU standards and to improve market efficiency and to create new employment opportunities in rural areas.

The significant place in the IPARD III Programme will have young farmers, organic farming and all investments that are in line with the Green Agenda, which is, in certain measures, reflected as the additional intensity of support for investments by young farmers, investments in mountainous areas, investments in the field of organic farming, circular economy investments, waste management and waste water treatment and investments in renewable energy sources.

## The Negotiating Position for Chapter 11 - Agriculture and Rural Development



After fulfilling the opening benchmarks in the Chapter 11 - Agriculture and Rural Development, the Republic of Serbia has started drafting the Negotiating position in this field. As the Common Agricultural Policy of the EU (CAP) is one of the few common policies, which are applied on the territory of the entire European Union according to the same rules and principles, the Negotiating position for this Chapter differs from other positions.

The preparation of a Negotiating position is one of the most sensitive phases of negotiations, given that it is necessary to consider realistically the advantages and disadvantages of its agricultural sector, to define carefully the requirements that best suit the country's interests, while taking into account the reality of the requirements, as well as arguments to prove the justification of the requests.

The Negotiating position is the basis for the negotiations of the candidate country through which the candidate country declares accepting of EU *acquis* in the field of agriculture and rural development at the time of full membership in the European Union. Except for certain provisions requiring a derogation or transitional period for certain European regulations to be applied gradually, the adoption of the EU *acquis* in full capacity is implied and is not the subject of negotiations.

In addition to specifying possible transitional periods and derogations in the Negotiating position, the candidate country should be aware that transitional measures have limited duration and have a clear plan for the implementation of the *acquis* after the expiry of the transitional period. At the same time, it is necessary to estimate in advance the necessary funds and capacities, as well as the duration of the transition period, in order to be assessed as realistic by the European Commission.

Once a candidate country has adopted its Negotiating position, it is submitted to the European Commission for consideration. On the other hand, the European Commission is also preparing its Common negotiating position, which will be the basis for negotiations from the aspect of the European Union and which represents the common position of all 27 member states.

The Negotiating position shall be classified as long as negotiations continue in the area to which it relates. However, it is necessary to include all stakeholders, i.e. relevant representatives of the agriculture and rural development sector, in order to consider the problems and requirements from the perspective of all participants in the market chain, as well as relevant institutions from the agricultural and related sectors.

**THE NEGOTIATING POSITION IS THE BASIS FOR THE NEGOTIATIONS OF THE CANDIDATE COUNTRY**

**ALL RELEVANT REPRESENTATIVES OF THE AGRICULTURE AND RURAL DEVELOPMENT SECTOR SHOULD BE INCLUDED IN THE PREPARATION OF NEGOTIATION POSITION**

**EUROPEAN COMMISSION PREPARES COMMON NEGOTIATING POSITION**



Also, the public must be sufficiently informed about the basic direction of negotiations, primarily, in order to prepare farmers in time for the inevitable changes that await them during the accession to the European Union and to prepare them in the best way to become part of the common European agriculture and agricultural market.

The importance in drafting Negotiation position in Chapter 11, is supported by the fact that one of the activities through IPA 2015 project “Capacity building for the alignment with the *acquis* in the area of agriculture, rural development, food safety, veterinary and phytosanitary policy” is precisely this topic. The Project Team with experts organised online workshop on preparation on the Negotiation position for Chapter 11 on 23<sup>rd</sup> July 2020 for approximately 30 representatives of the MAFWM and the Ministry of European Integration.

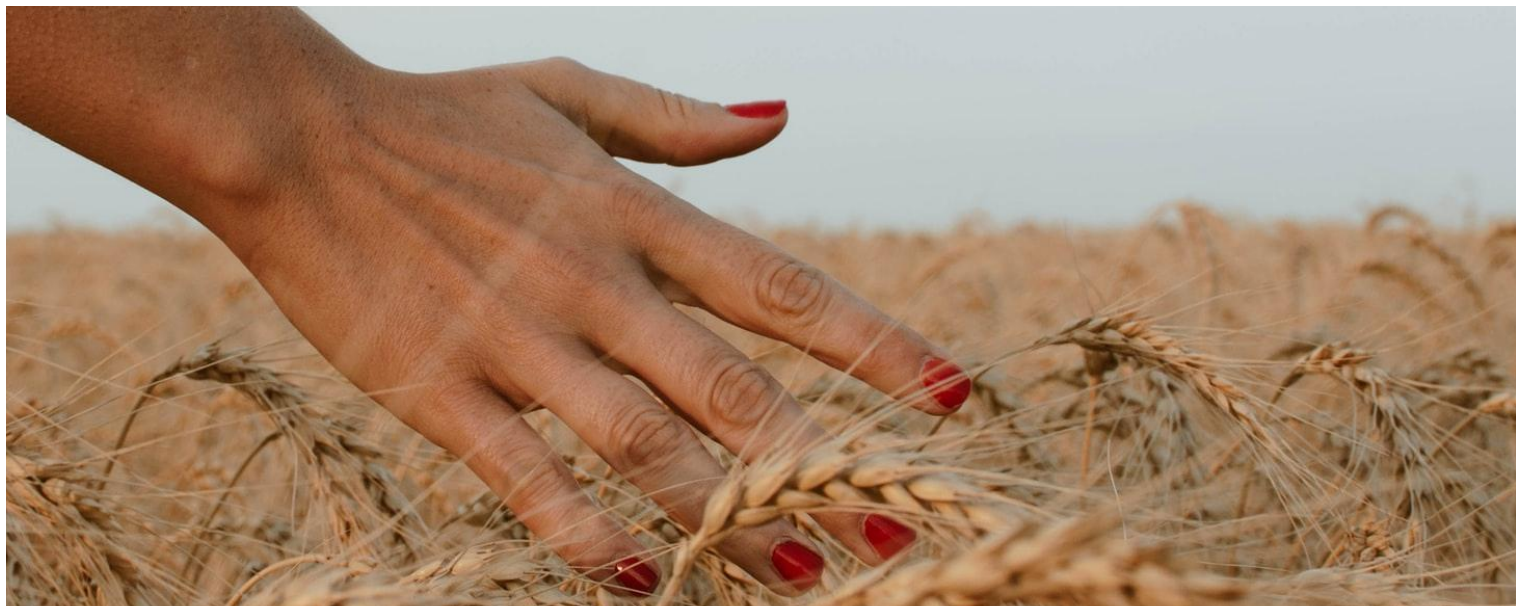
**WORKSHOP ON PREPARATION ON THE NEGOTIATION POSITION FOR CHAPTER 11 WAS HELD**

During the Workshop the information about the existing guidelines in EU were shared, the organization of the process of drafting of the Negotiation position was discussed, recommendations were provided, main issues and challenges for Serbia in the Negotiation position on Chapter 11 were analysed. Also the most important elements of the Serbian Negotiation position which represents the basis for realisation of activities for the alignment with the EU *acquis* in the field of Agriculture and Rural Development were presented and discussed.



## IPARD support for women applicants

The usual role that women have in agriculture of the Republic of Serbia is, according to the latest data of the Statistical Office of the Republic of Serbia, the role of assisting household member, that makes more than one fifth of women employed in agriculture. Women appear in the role of agricultural household manager in only 15% of cases, out of whom over 50% are women older than 65 years.



IPARD II Programme provides support in strengthening the position of women in agriculture through three entrusted measures: Measure 1 (Investments in physical assets of agricultural holdings), Measure 3 (Investments in physical assets concerning processing and marketing of agricultural and fishery products) and Measure 7 (Farm diversification and business development).

**WOMEN IN SERBIA USUALLY  
HAVE THE ROLE OF ASSISTING  
HOUSEHOLD MEMBER**

**OVER 50% WOMEN MANAGERS OF  
THE AH ARE OLDER THAN 65 YEARS**

**WOMEN CAN APPLY FOR IPARD  
SUPPORT WITHIN  
MEASURE 1, MEASURE 3 И MEASURE 7**





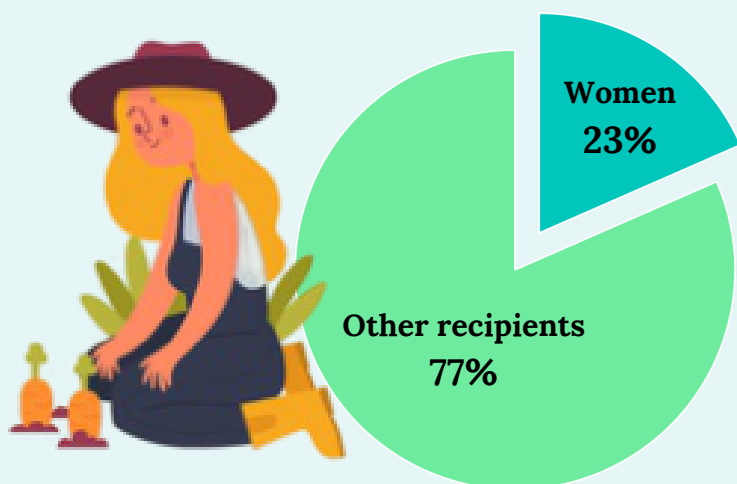
As recipients of IPARD subsidies, within Measure 1, women can receive support in the amount of 60%. Also, in cases where the value of submitted applications is higher than the value of allocated funds for that public call, women – holders of agricultural household or women – entrepreneurs receive additional points when scoring and ranking applications, which can ensure them a better position on the ranking list. In order to improve their agricultural production, women can apply for different types of investments under Measure 1, related to physical assets of agricultural holdings in the sectors of milk, meat, eggs, grapes, fruit and vegetables and other crops production.

Within Measure 3, concerning support for investments in processing capacities, women who are registered as entrepreneurs or are owners of companies can receive support in amount of 50% for investments in the field of milk, meat, fruit and vegetables and eggs processing, as well as in the sector of wine production.



For the support to the development of rural tourism, women as potential recipients of IPARD funds, can apply for Measure 7 through wide range of investments – from construction, reconstruction and equipping of accommodation facilities, through the procurement of recreation equipment and playgrounds for children, to equipment for energy production from renewable sources. In this Measure, when ranking applications, women – applicants or companies which have at least 30% of women in the employee structure are eligible to receive additional points.

#### Share of women applicants of IPARD subsidies



**UNTIL NOW EUR 1,4 MILLION HAVE BEEN PAID TO WOMEN RECIPIENTS OF IPARD SUBSIDIES**

Through the IPARD II Programme support, under the five public calls for Measure 1, women submitted 279 applications for project approval for development and improvement of agricultural production, while the greatest interest was for investments related to procurement of a new tractor. In addition, women have invested in fruit sorting and calibration lines, ULO cold storage equipment, as well as in the construction of a sheep farm.

In the previous period, EUR 3,3 million have been approved to the women recipients of IPARD subsidies for realisation of investments and EUR 1,4 million was paid.



## IPARD Measure 7 - Questions and answers from ongoing Public Call

### Is there any limitation in the capacity of accommodation facility?

There is a limitation with regards to the number of individual occupancy units in categorised hospitality accommodation facilities. Potential recipient can receive IPARD support, if the maximum number of individual occupancy units does not exceed 30. This refers to all accommodation facilities owned by the applicant.



### Does the applicant have to be owner of the facility, i.e. owner of land?

In the case of construction of facility (construction, renovation, adaptation...) the applicant shall be owner or co-owner of the cadastral land plot. In the case of co-ownership of the cadastral land plot, the applicant shall, with the consent of the other co-owners, obtain all construction permits documentation, solely on their own name.

In the case of investments such as facility equipping and when the applicant is:

- Natural person – the applicant shall be the owner of facility;
- Legal entity (entrepreneur, enterprise) renting is also eligible, i.e. use on the basis of a contract concluded with the lessor, or with the assignor – a natural person, local self-government unit, church, monastery or ministry liable for agriculture, for the rent period of at least ten years, respectively, starting from the calendar year in which the application for project approval is submitted. The facility subject of the rent, i.e. use, cannot have other encumbrances registered, except the subject of the rent, i.e. use.

### Does the entire value of investment can be financed by the IPARD fund?

It is not possible to finance the entire value of the investment by means of the IPARD fund. The support is envisioned as reimbursement of the investment in the amount up to 65% of the total eligible expenditures, after realisation of the project and refunding is eligible only for that part of the investment assumed as the so-called eligible expenditures.



**What are general expenditures and how are they calculated?**

General expenditures are expenditures incurred for the provision of consulting services, development of feasibility studies and other services for the preparation, collection i.e. drafting of documentation for submitting them for project approval, as well as for payment approval of IPARD subsidies. Only such expenditures can be realised before obtaining of the Decision on project approval during the period of validity of the IPARD II Programme. The eligible amount of general expenditures is determined in the amount of up to 12% of the value of eligible expenditures of the investment, while the eligible amount for the development of a business plan is up to 5% of the value of eligible expenditures of the investment (but not more than EUR 2,000).

**Are prefabricated facilities (for which a building permit is not required) eligible for financing under IPARD Measure 7?**

Prefabricated facilities are considered as eligible investment according to the List of eligible investments and expenditures, if the applicant and the investment itself meet the conditions prescribed by the Rulebook on IPARD subsidies for farm diversification and business development ("Official Gazette of RS", No.76/2020).

**Is it necessary for a recipient (legal entity) to be registered under certain business code when submitting the application for project approval?**

Eligible recipients for financing from the IPARD fund through Measure 7 are enterprises (micro and small legal entities) and entrepreneurs, which are either established or carry on their business in rural areas. Also, legal entities, of the same range, established outside rural areas, are eligible for support, if investments/activities are planned in rural areas. When submitting an application for project approval, it is not necessary that the applicant who has not already categorised facilities for hospitality services, obtained a registration for the relevant activity. It is necessary to submit the Decision on the categorization of the facility, which is done in accordance with the Law on Hospitality, at the end of the investment and when submitting the payment request.



# EXAMPLE OF A GOOD PROJECT:

## Tradition of livestock production and IPARD subsidies



Radenka Živanović (63) comes from the Šumadija and Western Serbia Region. She submitted application for project approval for IPARD subsidies for Investments in physical assets of agricultural holdings in the procurement of a new tractor within the Second Public Call. A new John Deere tractor has renewed successfully her holding. IPARD support has been crucial in her decision to enter into this serious and high-value investment in mechanisation, necessary for progress of every farm.

Three generations live in Živanović's house in Mačva. The tradition of livestock production, primarily in pig breeding, extends to several generations of this hardworking and enterprising family and that is a good example of planned development of an agricultural holding. Radenka inherited the activity of pigs breeding from her father-in-law and she expended the production to cattle fattening, together with her husband Slobodan and livestock production will be continued by their son Milan.

The Živanović family announces further growth of their farm by expanding the production capacities for pigs fattening through the construction of a new facility. Considering their very positive experiences with the IPARD fund of the European Union, they intend to realise this investment with the support of this fund, again. As they emphasise, in addition to good planning, which is the main key to success, it is very important to find a reliable supplier with whom the realisation of the investment is efficient and on time.



Živanović family consider that the future step in their farm development is the construction of a biogas plant, when the time for this investment in renewable energy sources comes, most likely within the new, IPARD III Programme.

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